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C O N F I D E N T I A L SECTION 01 OF 03 ROME 000276

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TAGS: [PGOV](#) [PREL](#) [IT](#)
SUBJECT: ITALIAN ELECTIONS: WHERE THINGS STAND AS CAMPAGIN
GETS UNDERWAY

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Classified By: Political Officer Stephen C. Anderson for reasons 1.4 (b)
) and (d).

SUMMARY

¶1. (C/NF) Former PM Silvio Berlusconi's People of Liberty (PdL) party leads Walter Veltroni's Democratic Party (PD) by six to eleven percentage points in opinion polls as the campaign for Italy's April 13-14 parliamentary elections gets underway. A complicated electoral system and a change in the larger parties' political strategy make it, nevertheless, difficult to predict how an electoral victory, by either Berlusconi or Veltroni, might translate into a governing majority. If results are close, Berlusconi and Veltroni have indicated that a limited post-electoral agreement might be possible in order to achieve some institutional and electoral reforms. Given their similar campaign platforms and foreign policy positions (that have not been campaign issues), we should be able to work well with either a Berlusconi or Veltroni government. END SUMMARY.

NEW ALLIANCES

¶2. (C/NF) Former PM Silvio Berlusconi and Democratic Party (PD) Secretary Walter Veltroni have made a dramatic break with some of their respective traditional allies. The PD's coalition will not include far-left parties, and Berlusconi's new People of Liberty (PdL) party will run without former ally Pierferdinando Casini's Union of Democrats of the Center (UDC).

¶3. (SBU) Coalitions with a significant chance of winning parliamentary seats in Italy's April 13-14 elections are listed below under the name of the PM candidate they support and with their political alignment and recent poll results in parenthesis. Parties have until March 11 to present their candidate lists for parliament. (Note: Though Veltroni is running without the far left in parliamentary elections, the PD often remains allied with far-left parties in local elections, also scheduled for April 13-14. End note.)

Daniela Santanche (right, 2 percent): La Destra, a right-wing party that was created by former National Alliance (AN) Minister of Health Francesco Storace left AN in 2007.

Silvio Berlusconi (center right, 44 percent): The main party is the People of Liberty, which includes Berlusconi's Forza

Italia (FI) and AN. The PdL will also house some former center-left politicians like Lamberto Dini, former UDC member Carlo Giovanardi and right-wing leader Alessandra Mussolini. The PdL is allied with the Northern League (LN) in the north and the Movement for Autonomy (MPA) in Sicily.

Pierferdinando Casini (center, 7 percent): An alliance of the UDC and Bruno Tabacchi's White Rose (RB) parties. The RB was a part of the UDC until February 2008.

Walter Veltroni (center left, 36.5 percent): A coalition of the Democratic Party and Antonio DiPietro's Italians of Value (IdV) Party. Emma Bonnino's List is also in the coalition, but members will run as part of the PD.

Fausto Bertinotti (left, 8.5 percent): Italy's four main radical left parties formed the Rainbow Left (RL) coalition to support Bertinotti's candidacy.

ITALIAN POLLS HISTORICALLY INACCURATE

¶4. (C/NF) Italian opinion polls are traditionally unreliable and have consistently underestimated support for Berlusconi nationally. In the south, opinion polls tend to under-predict center-left support. Polls offer varied results, giving Berlusconi a lead of six to eleven percentage point over Veltroni. Veltroni told the Ambassador February 26 that his internal polls show him trailing Berlusconi by no more than six percentage points, and he claimed March 5 to be only four points behind. PdL leader Michela Brambilla told the Ambassador February 29 that Berlusconi is ahead by at least ten percentage points according to internal PdL polls.

ITALY'S QUIRKY ELECTORAL SYSTEM

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¶5. (SBU) The formula for converting votes into seats in parliament is different in the Chamber and the Senate. Also, six senators and twelve deputies are elected in foreign voting districts, and the Senate currently has seven non-elected senators-for-life.

Chamber: Results are tabulated nationally. The winning coalition automatically receives at least 54 percent, called a majority premium. The rest of the seats are distributed proportionally to the remaining coalitions/parties that qualify for seats. For a party to receive seats in the Chamber, it must win at least 2 percent of the national vote if it is part of a larger coalition that receives at least 10 of the total vote, or 4 percent if the party runs alone. Thus, either Berlusconi or Veltroni would command at least 54 percent in the Chamber.

Senate: Results are tabulated regionally. The winning coalition in a particular region automatically receives at least 55 percent of that region's Senate seats. The rest of the seats for that region are distributed proportionally to the other coalitions/parties that qualify for seats from that region. For a party to receive seats in the Senate from a specific region, it must win at least 3 percent of the regional vote if it is part of a larger coalition that receives at least 20 in the region, or 8 percent if the party runs alone. Given traditional voting patterns, this system led to parity between the ruling coalition and the opposition in the last election.

POSSIBLE RESULT

¶6. (C/NF) Analysts believe voter preferences are evolving as Italians adjust to new voting blocks. If elections were held today, Berlusconi would likely win in the Chamber; Veltroni would represent a sizable opposition; and Bertinotti's

coalition would earn a block of deputies further to the left.

Analysts disagree whether Casini will actually meet the 4 percent threshold in the chamber, but with 7 percent in recent polls, Casini will likely lead a sizable centrist block.

¶17. (C/NF) The scenario for the Senate is more complex. Berlusconi is expected to win in traditional center-right strongholds and will likely pick up Piedmont. A Berlusconi strategist told Poloff that Liguria, Latium, Campania and Puglia, which went center-left in 2006, could go either way this year and that the results in those regions will determine the size of any PdL majority or whether the PdL even wins a Senate majority. Forza Italia Vice President and former Minister of Economy Giulio Tremonti told the Ambassador March 4 that the PdL would win no more than a 15-seat Senate majority.

¶18. (C/NF) Tremonti told the Ambassador he thought a post-electoral agreement between Berlusconi would be necessary given the likelihood of close results in the Senate. Veltroni also said March 4 in a television interview that such an agreement would be necessary in the event of a "tie." The press, commentators and contacts increasingly speculate about the likelihood of some sort of Berlusconi-Veltroni agreement after the elections.

CAMPAIGN ISSUES--SIMILAR PROPOSALS

¶19. (C/NF) Both Berlusconi and Veltroni have accused the other of copying campaign programs. With both arguing for lower taxes, affordable housing, improved infrastructure and more security, party platforms are similar. Differences are in nuance, degree and personality, and the campaign has centered on tactics. Foreign policy has been mostly absent from the political debate, limited to Berlusconi criticizing the Prodi government's concessions to the far left, and Veltroni trying to distance himself from that same far left. Veltroni described foreign policy positions to the Ambassador (Ref A) that are strikingly similar to those previously pursued by Berlusconi. The military mission funding bill passed February 27 with an 80 percent majority of the Senate and only the far left opposing, indicating general PD-PdL consensus on foreign policy.

COMMENT

¶10. (C/NF) With new alliances in play, Italy's quirky electoral system, and 40 days to go before elections, a clear

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Berlusconi victory is not certain despite his current strong lead in opinion polls. We expect campaign rhetoric will increase in the coming weeks as attention turns from party politicking to campaigning around the country for the popular vote. End Comment.
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